

## Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 TOKYO 04424 041021Z

21

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 110327

O R 040940Z APR 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC NIACT IMMEDIATE 9178

INFO AMEMBASSY SAIGON

C O N F I D E N T I A L TOKYO 4424

EXDIS

E.O. 11652: XGDS-1

TAGS: PFOR, EAID, JA, VN, VS

SUBJ: GOJ POSTPONING IMPLEMENTATION OF GRANT LOAN TO SVN

REF: TOKYO 4357

SUMMARY: GVN AMB CALLED ON ME URGENTLY APRIL 4 TO INFORM USG THAT THE GOJ DECIDED TO POSTPONE SIGNING IMPLEMENTATION AGREEMENT FOR 9 BIL YEN COMMODITY LOAN TO SVN. AMB DAN IS SERIOUSLY CONCERNED OVER POLITICAL IMPACT ON GVN. TO PROBE BACKGROUND AND EXPRESS CONCERN, I CALLED ON DIRGEN ECONOMIC ASSISTANCE BUREAU (VICE FONMIN TOGO UNAVAILABLE) WHO EXPLAINED THAT SIGNING WAS ONLY BEING POSTPONED. IN RELATED DEVELOPMENT, NVN ECONOMIC ASSISTANCE DELEGATION LEFT TOKYO APRIL 4, UNHAPPILY, WITHOUT CONCLUDING ASSISTANCE PACKAGE. FONOFF STILL HOPES TO OPEN EMBASSY IN HANOI BY MID-APRIL BUT IS UNSURE WHETHER DRV WILL AGREE. END SUMMARY.

1. GVN AMB DAN REQUESTED URGENT APPOINTMENT WITH ME APRIL 4 TO INFORM USG THAT GOJ NOTIFIED GVN EMB APRIL 3 THAT SIGNING OF 9 BILLION YEN COMMODITY LOAN AGREEMENT, EXPECTED TO BE SIGNED TODAY, APRIL 4, WOULD BE POSTPONED UNTIL AFTER FONMIN MIYAZAWA VISITED WASHINGTON FOR TALKS WITH USG LEADERS. MIYAZAWA WANTED TO "CLARIFY USG INTENTIONS" VIS-A-VIS SVN. FONOFF TOLD VIETNAMESE THAT 7 BILLION YEN GRANT AID WOULD NOT BE AFFECTED BUT AMB DAN TOLD ME THAT HE HAD HIS DOUBTS THAT SIGNING WOULD TAKE PLACE AS SCHEDULED APRIL 14.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 04424 041021Z

2. AMB DAN EXPLAINED TO ME THAT SITUATION IN SVN WAS DESPER-

ATE, RESISTANCE HAS COLLAPSED, AND WHAT IS URGENTLY NEEDED IS SOME POSITIVE INTERNAL OR EXTERNAL DEVELOPMENT TO REVERSE PLUMMETTING MORALE. ALTHOUGH JAPANESE AID IS INTRINSICALLY NEEDED, ACTUAL SHIPMENTS WOULD NOT TAKE PLACE UNTIL JUNE, BUT HE IS CONCERNED PRIMARILY ABOUT THE POLITICAL IMPACT OF A DECISION BY THE GOJ TO POSTPONE AID TO SVN. IF OTHER COUNTRIES WRITE SVN OFF, THE CHANCES OF SURVIVAL WILL BE EVEN MORE DIFFICULT. THE GVN EMBASSY URGED THE GOJ TO PROCEED WITH SIGNING THE COMMODITY LOAN AGREEMENT WHICH WOULD PERMIT NEGOTIATIONS TO BEGIN FOR 50,000 TONS OF UREA (EXPENDING ROUGHLY HALF OF LOAN) AND NOT TO TRY TO RENEGOTIATE ITEMS ON THE SHOPPING LIST (SUCH AS FUNDS FOR A REFUGEE CAMP IN CANANG) BEFORE SIGNING THE AGREEMENT. CHANGES WHICH ARE OBVIOUSLY REQUIRED CAN BE MADE LATER. AMB DAN ALSO SAID HE URGED THE GOJ TO PROVIDE 500 MIL YEN IMMEDIATE EMERGENCY RELIEF, PLANNED BY GOJ, TO INTERNATIONAL RED CROSS (IOG) AS A SEPARATE MATTER.

3. DURING COURSE OF CONVERSATION WITH FONOFF, AMB DAN WAS INFORMED THAT TALKS WITH NVN'S ECONOMIC DELEGATION HAS BEEN STOPPED INDEFINITELY AND THAT THE DELEGATION WOULD RETURN TO HANOI APRIL 4. AMB DAN SAID HE PROTESTED ANY LINKAGE BETWEEN NVN AND SVN ON QUESTION OF ECONOMIC ASSISTANCE, EXPLAINING THAT NVN WAS THE AGGRESSOR AND THE SVN THE VICTIM. FONOFF DENIED ANY LINK WAS INVOLVED, SAYING THAT AGREEMENT WITH SVN WAS "POSTPONED" WHILE AGREEMENT WITH NVN WAS "STOPPED INDEFINITELY".

4. I TOLD AMB DAN THAT THIS WAS VERY DISTURBING AND I COULD SEE NO REASON FOR GOJ TO WAIT. USG POSITION OF SUPPORT FOR GVN WAS CLEAR. I PROMISED TO INFORM WASHINGTON AND DO ANYTHING WE COULD.

5. I MADE AN IMMEDIATE APPOINTMENT WITH DIRGEN ECONOMIC ASSISTANCE BUREAU KATORI (VICE MIN TOGO WAS UNAVAILABLE) TO PROBE BACKGROUND OF FONOFF DECISION. KATORI SAID HE ATTEMPTED TO DISSUADE THE MINISTER ON BASIS OF EMBARRASSMENT WHICH WOULD RESULT IF OECF FAILED TO PROCEED WITH SIGNING OECD FUNDING AGREEMENTS RE AID PROMISED IN MARCH 28 NOT EXCHANGE. MINISTER COULD NOT BE PERSUADED. KATORI INSISTED TO ME, HOW-  
CONFIDENTIAL  
CONFIDENTIAL

PAGE 03 TOKYO 04424 041021Z

EVER, THAT OECF SIGNING WAS MERELY POSTPONED UNTIL THE SITUATION IN SVN IS CLARIFIED AND THE FONMIN HELD DISCUSSIONS WITH SECY KISSINGER.

6. IN RESPONSE, I COMMENTED THAT IT WAS EVIDENT FROM PRESIDENT FORD'S PRESS CONFERENCE AS WELL AS FROM ASST SECY HABIB'S MEETING WITH THE PRESS THAT THE USG SUPPORTED THE GVN AND HOPED THAT IT WOULD BE ABLE TO STABILIZE AND DEFEND SAIGON AND MR'S III AND IV. G N AND ARVN URGENTLY NEEDED TO REPAIR THE PSYCHOLOGICAL DAMAGE EFFECTED BY THE NVN ONSLAUGHT. USG,

AND I WAS CERTAIN THE GOJ, WOULD NOT WANT TO TAKE ANY ACTION WHICH WOULD MAKE THIS TASK MORE DIFFICULT. ADVERSE ACTIONS BY OTHER GOVTS WHICH MIGHT BE INTERPRETED AS LACK OF CONFIDENCE IN SURVIVABILITY OF THE GVN COULD ADMINISTER FURTHER PSYCHOLOGICAL SHOCK TO THE GVN. I STATED I WAS CONFIDENT THAT FOR THIS REASON WASHINGTON WOULD BE DISTURBED AND CONCERNED BY GOJ ACTION.

7. KATORI'S ONLY SUBSTANTIVE REJOINDER WAS TO REITERATE THAT THE GOJ WAS ONLY POSTPONING THE SIGNING OF OECF AGREEMENTS AND STILL INTENDED TO SIGN THEM. HE DOUBTED THAT ANY SPECIAL ATTENTION WOULD BE PAID TO THIS POSTPONEMENT AND COMMENTED THAT THE 7 BIL YEN GRANT AID, WHICH THE FONOFF INTENDS TO GO AHEAD WITH, WAS FAR MORE IMPORTANT.

8. I EXPRESSED THANKS FOR HIS PROVIDING ME THIS BACKGROUND AND ASKED THAT HE CONVEY MY CONCERN TO THE FONMIN. HE PROMISED TO DO SO.

9. IN SEPARATE CALL ON HANABUSA, EMBOFF SOUGHT BACKGROUND AND EXPRESSED SIMILAR CONCERN OVER THE POSTPONEMENT. HANABUSA INSISTED THAT DELAY WAS NECESSITATED BY THE HIGHLY FLUID SITUATION IN SVN. GOJ WANTED TO SEE IF THERE WAS A GOVT NEXT WEEK AND FONMIN ALSO WANTED TO DISCUSS THE SITUATION WITH SECY KISSINGER BEFORE FORMULATING POLICIES TO COPE WITH THE NEW SITUATION.

10. AFTER DENYING ANY LINK BETWEEN JAPAN'S RELATIONS WITH SVN AND NVN, HANABUSA NOTED THAT THE NVN ECONOMIC TEAM HAD JUST LEFT TOKYO WITHOUT CONCLUDING AN ECONOMIC ASSISTANCE AGREEMENT. NORTH VIETNAMESE WERE UNHAPPY. GOJ HAD DECIDED IT WOULD BE  
CONFIDENTIAL  
CONFIDENTIAL

PAGE 04 TOKYO 04424 041021Z

INAPPROPRIATE TO CONCLUDE AN AGREEMENT NOW. DIFFERENCES OVER TECHNICAL DETAILS, SUCH AS ITEMS ON NVN'S LIST WHICH HAD MILITARY POTENTIAL, AND WORDING OF THE AGREEMENT WITH POLITICAL IMPLICATIONS (UNSPECIFIED), ALSO LED TO A NEGOTIATING IMPASSE. NORTH VIETNAMESE WILL RETURN TO HANOI: CONFER, AND AT AN UNDETERMINED DATE GET BACK IN TOUCH WITH GOJ, PERHAPS IN VIETNAME. GOJ STILL HOPES TO OPEN ITS EMBASSY IN HANOI BY MID-APRIL BUT HANABUSA SAID HE WAS UNSURE HANOI WOULD AGREE. INFORMALLY, MEMBER OF NVN DELEGATION COMMENTED THAT THE DRV EMBASSY IN TOKYO WOULD OPEN LATER THAN JAPAN'S IN HANOI.

11. DESPITE FONOFF ASSURANCES, THE GOJ EVIDENTLY IS ATTEMPTING TO MOVE TO A NEUTRAL POSITION ON VN UNTIL THE SITUATION THERE AS WELL AS US INTENTIONS ARE CLARIFIED. GOJ WILL PROCEED WITH HUMANITARIAN REFUGEE RELIEF THROUGH IOG IN SVN TO AREAS CONTROLLED BY THE PRG/ NVN AS WELL AS REFUGEES IN GVN CONTROLLED AREAS.  
SHOESMITH

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOAN AGREEMENTS, FOREIGN ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 APR 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975TOKYO04424  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Film Number:** D750116-1095  
**From:** TOKYO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750479/aaaactxi.tel  
**Line Count:** 169  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 75 TOKYO 4357  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15 JUL 2003 by BoyleJA>; APPROVED <14 NOV 2003 by RowellE0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOJ POSTPONING IMPLEMENTATION OF GRANT LOAN TO SVN  
**TAGS:** PFOR, EAID, JA, VN, VS  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006